

**Assembly Concurrent Resolution**

**No. 45**

**Introduced by Assembly Member Grove**

March 11, 2015

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Assembly Concurrent Resolution No. 45—Relative to state government.

LEGISLATIVE COUNSEL'S DIGEST

ACR 45, as introduced, Grove. State agency budgets: legislative review: zero-based budgeting.

This measure would state the intent of the Legislature to conduct an in-depth review of the budgets of the 40 largest budgets of state agencies and departments over a period 5 years using a zero-based budgeting approach, as specified. The measure would also request that the the first 8 state agencies and departments selected for review provide specified information to the Assembly Committee on Budget and the Senate Committee on Budget and Fiscal Review before June 30, 2016.

Fiscal committee: yes.

- 1 WHEREAS, Article IV of the California Constitution provides  
2 that it is the responsibility of the Legislature to oversee the  
3 operations of the executive branch and its various agencies and  
4 departments; and  
5 WHEREAS, Article IV further provides that it is the  
6 responsibility of the Legislature to develop a budget for the State  
7 of California; and  
8 WHEREAS, A zero-based budgeting approach is one in which  
9 agency and department budgets are evaluated on program-level  
10 efficiencies, instead of only marginal changes; and

1 WHEREAS, In recent years, the National Conference of State  
2 Legislatures has reported that 17 states have used zero-based  
3 budgeting in some form and several more have made serious efforts  
4 to do so; and

5 WHEREAS, The National Conference of State Legislatures  
6 indicates that states such as Idaho have successfully used  
7 zero-based budgeting as a management tool as well as a budgetary  
8 tool; and

9 WHEREAS, The State of Washington, among others,  
10 successfully used a variant of zero-based budgeting starting in  
11 2002 to align expenditures with desired outcomes and balanced  
12 the budget of the State of Washington without tax increases; and

13 WHEREAS, The elected representatives of the Legislature have  
14 a duty to guard taxpayer dollars against waste, fraud, and abuse;  
15 and

16 WHEREAS, The largest 40 state agency and department budgets  
17 account for more than one-half of the total budget for the State of  
18 California; and

19 WHEREAS, The largest 40 state agency and department budgets  
20 include all entities expending more than \$100 million in state  
21 funds; now, therefore, be it

22 *Resolved by The Assembly of The State of California, The Senate*  
23 *thereof concurring*, That the Legislature intends to conduct an  
24 in-depth review, over a period of 5 years, of the 40 largest budgets  
25 of state agencies and departments with state positions; and be it  
26 further

27 *Resolved*, That the Legislature intends to use a zero-based  
28 budgeting approach during this review; and be it further

29 *Resolved*, That the 40 largest budgets of state agencies and  
30 departments with state positions will be identified by the  
31 Legislature on or before June 30, 2015, based on amounts allocated  
32 to these agencies in the 2014–15 budget; and be it further

33 *Resolved*, That the Legislature will choose the first eight  
34 agencies and departments for review before the 2015 Interim Study  
35 Recess; and be it further

36 *Resolved*, That those eight agencies and departments are  
37 requested, before June 30, 2016, to provide to the Assembly  
38 Committee on Budget and the Senate Committee on Budget and  
39 Fiscal Review a complete list of logical “decision units” within  
40 an agency’s budget, which are programs, activities, or

- 1 organizational entities. For each of these units, the agencies and
- 2 departments are requested to provide all of the following:
- 3 (a) A proposed minimum level of funding for viability for the
- 4 2017–18 fiscal year.
- 5 (b) Current expenditures.
- 6 (c) Program goals that can be quantified, including any goals
- 7 that are required by citations of existing law.
- 8 (d) Progress toward those goals; and be it further
- 9 *Resolved*, That the Chief Clerk of the Assembly transmit copies
- 10 of this resolution to the author for appropriate distribution.

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